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ENGROSSED SUBSTITUTE HOUSE BILL 2338

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State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Local Government (originally sponsored by Representatives Haugen, Wood, Hine, Chandler, Cantwell, Brough, Rayburn, Horn, Rasmussen, Ferguson, Dorn, Riley, Forner, Mitchell, Spanel, Basich, Fuhrman, Jacobsen and Bray)

Read first time 01/24/92.

1 AN ACT Relating to county research services; amending RCW  
2 82.14.200, 43.88.114, 43.110.030, and 43.110.010; reenacting RCW  
3 82.44.160; and adding a new section to chapter 36.32 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.32 RCW  
6 to read as follows:

7 A special account is created in the state treasury to be known as  
8 the "county research services account." Moneys in the account may be  
9 spent only after appropriation.

10 Moneys in the county research services account may only be expended  
11 to finance the costs of county research.

12 **Sec. 2.** RCW 82.14.200 and 1991 sp.s. c 13 s 15 are each amended to  
13 read as follows:

1       There is created in the state treasury a special account to be  
2 known as the "county sales and use tax equalization account." Into  
3 this account shall be placed a portion of all motor vehicle excise tax  
4 receipts as provided in RCW 82.44.110(1)(f). Funds in this account  
5 shall be allocated by the state treasurer according to the following  
6 procedure:

7       (1) Prior to April 1st of each year the director of revenue shall  
8 inform the state treasurer of the total and the per capita levels of  
9 revenues for the unincorporated area of each county and the state-wide  
10 weighted average per capita level of revenues for the unincorporated  
11 areas of all counties imposing the sales and use tax authorized under  
12 RCW 82.14.030(1) for the previous calendar year.

13       (2) At such times as distributions are made under RCW 82.44.150, as  
14 now or hereafter amended, the state treasurer shall apportion to each  
15 county imposing the sales and use tax under RCW 82.14.030(1) at the  
16 maximum rate and receiving less than one hundred fifty thousand dollars  
17 from the tax for the previous calendar year, an amount from the county  
18 sales and use tax equalization account sufficient, when added to the  
19 amount of revenues received the previous calendar year by the county,  
20 to equal one hundred fifty thousand dollars.

21       The department of revenue shall establish a governmental price  
22 index as provided in this subsection. The base year for the index  
23 shall be the end of the third quarter of 1982. Prior to November 1,  
24 1983, and prior to each November 1st thereafter, the department of  
25 revenue shall establish another index figure for the third quarter of  
26 that year. The department of revenue may use the implicit price  
27 deflators for state and local government purchases of goods and  
28 services calculated by the United States department of commerce to  
29 establish the governmental price index. Beginning on January 1, 1984,  
30 and each January 1st thereafter, the one hundred fifty thousand dollar

1 base figure in this subsection shall be adjusted in direct proportion  
2 to the percentage change in the governmental price index from 1982  
3 until the year before the adjustment. Distributions made under this  
4 subsection for 1984 and thereafter shall use this adjusted base amount  
5 figure.

6 (3) Subsequent to the distributions under subsection (2) of this  
7 section and at such times as distributions are made under RCW  
8 82.44.150, as now or hereafter amended, the state treasurer shall  
9 apportion to each county imposing the sales and use tax under RCW  
10 82.14.030(1) at the maximum rate and receiving less than seventy  
11 percent of the state-wide weighted average per capita level of revenues  
12 for the unincorporated areas of all counties as determined by the  
13 department of revenue under subsection (1) of this section, an amount  
14 from the county sales and use tax equalization account sufficient, when  
15 added to the per capita level of revenues for the unincorporated area  
16 received the previous calendar year by the county, to equal seventy  
17 percent of the state-wide weighted average per capita level of revenues  
18 for the unincorporated areas of all counties determined under  
19 subsection (1) of this section, subject to reduction under subsections  
20 (6) and (7) of this section. When computing distributions under this  
21 section, any distribution under subsection (2) of this section shall be  
22 considered revenues received from the tax imposed under RCW  
23 82.14.030(1) for the previous calendar year.

24 (4) Subsequent to the distributions under subsection (3) of this  
25 section and at such times as distributions are made under RCW  
26 82.44.150, as now or hereafter amended, the state treasurer shall  
27 apportion to each county imposing the sales and use tax under RCW  
28 82.14.030(2) at the maximum rate and receiving a distribution under  
29 subsection (2) of this section, a third distribution from the county  
30 sales and use tax equalization account. The distribution to each

1 qualifying county shall be equal to the distribution to the county  
2 under subsection (2) of this section, subject to the reduction under  
3 subsections (6) and (7) of this section. To qualify for the total  
4 distribution under this subsection, the county must impose the tax  
5 under RCW 82.14.030(2) for the entire calendar year. Counties imposing  
6 the tax for less than the full year shall qualify for prorated  
7 allocations under this subsection proportionate to the number of months  
8 of the year during which the tax is imposed.

9 (5) Subsequent to the distributions under subsection (4) of this  
10 section and at such times as distributions are made under RCW  
11 82.44.150, as now or hereafter amended, the state treasurer shall  
12 apportion to each county imposing the sales and use tax under RCW  
13 82.14.030(2) at the maximum rate and receiving a distribution under  
14 subsection (3) of this section, a fourth distribution from the county  
15 sales and use tax equalization account. The distribution to each  
16 qualifying county shall be equal to the distribution to the county  
17 under subsection (3) of this section, subject to the reduction under  
18 subsections (6) and (7) of this section. To qualify for the  
19 distributions under this subsection, the county must impose the tax  
20 under RCW 82.14.030(2) for the entire calendar year. Counties imposing  
21 the tax for less than the full year shall qualify for prorated  
22 allocations under this subsection proportionate to the number of months  
23 of the year during which the tax is imposed.

24 (6) Revenues distributed under subsections (2) through (5) of this  
25 section in any calendar year shall not exceed an amount equal to  
26 seventy percent of the state-wide weighted average per capita level of  
27 revenues for the unincorporated areas of all counties during the  
28 previous calendar year. If distributions under subsections (3) through  
29 (5) of this section cannot be made because of this limitation, then

1 distributions under subsections (3) through (5) of this section shall  
2 be reduced ratably among the qualifying counties.

3 (7) If inadequate revenues exist in the county sales and use tax  
4 equalization account to make the distributions under subsections (3)  
5 through (5) of this section, then the distributions under subsections  
6 (3) through (5) of this section shall be reduced ratably among the  
7 qualifying counties. At such time during the year as additional funds  
8 accrue to the county sales and use tax equalization account, additional  
9 distributions shall be made under subsections (3) through (5) of this  
10 section to the counties.

11 (8) If the level of revenues in the county sales and use tax  
12 equalization account exceeds the amount necessary to make the  
13 distribution under subsections (2) through (5) of this section, then an  
14 additional distribution shall be made. There shall be transferred into  
15 the county research services account, each fiscal year, an amount not  
16 to exceed fifteen cents per capita of the population of the  
17 unincorporated areas of all counties as last determined by the office  
18 of financial management or an amount equal to one-half the amount that  
19 was appropriated from the county research services account for county  
20 research that biennium. For the fiscal year ending June 30, 1993, the  
21 amount transferred shall be the amount appropriated from the county  
22 research services account for county research. Any moneys remaining  
23 unexpended or uncontracted for in the account at the end of any fiscal  
24 biennium shall be returned to the general fund.

25 (9) If the level of revenues in the county sales and use tax  
26 equalization account remaining after the amount necessary to make the  
27 distribution under subsections (2) through (5) of this section, is not  
28 sufficient to fully fund the transfer under subsection (8) of this  
29 section and the distribution under section 1(8), chapter ---, Laws of  
30 1992 (HB 2520) then the transfer under subsection (8) of this section

1 and the distribution under section 1(8), chapter ---, Laws of 1992 (HB  
2 2520) shall be ratably reduced.

3 (10) If the level of revenues in the county sales and use tax  
4 equalization account exceeds the amount necessary to make the  
5 distributions under subsections (2) through (5) and (8) of this  
6 section, then the additional revenues shall be credited and transferred  
7 to the state general fund.

8 **Sec. 3.** RCW 43.88.114 and 1983 c 22 s 2 are each amended to read  
9 as follows:

10 Appropriations of funds to the municipal research council from  
11 motor vehicle excise taxes shall not be subject to allotment by the  
12 office of financial management.

13 **Sec. 4.** RCW 43.110.030 and 1990 c 104 s 2 are each amended to read  
14 as follows:

15 The municipal research council shall contract for the provision of  
16 municipal research and services to cities ~~((and))~~, towns, and counties.  
17 Contracts for municipal research and services shall be made with state  
18 agencies, educational institutions, or private consulting firms, that  
19 in the judgment of council members are qualified to provide such  
20 research and services. Contracts for staff support may be made with  
21 state agencies, educational institutions, or private consulting firms  
22 that in the judgment of the council members are qualified to provide  
23 such support.

24 Municipal research and services shall consist of: (1) Studying and  
25 researching ~~((municipal))~~ city, town, and county government and issues  
26 relating to ~~((municipal))~~ city, town, and county government; (2)  
27 acquiring, preparing, and distributing publications related to  
28 ~~((municipal))~~ city, town, and county government and issues relating to

1 ((municipal)) city, town, and county government; (3) providing  
2 educational conferences relating to ((municipal)) city, town, and  
3 county government and issues relating to ((municipal)) city, town, and  
4 county government; and (4) furnishing legal, technical, consultative,  
5 and field services to cities ((and)), towns, and counties concerning  
6 planning, public health, utility services, fire protection, law  
7 enforcement, public works, and other issues relating to ((municipal))  
8 city, town, and county government.

9       The activities, programs, and services of the municipal research  
10 council shall be carried on, and all expenditures shall be made, in  
11 cooperation with the cities and towns of the state acting through the  
12 board of directors of the association of Washington cities, which is  
13 recognized as their official agency or instrumentality, and in  
14 cooperation with counties of the state acting through the Washington  
15 state association of counties. The provision of services to cities and  
16 towns shall be based upon the moneys appropriated to the municipal  
17 research council as provided in RCW 82.44.160 and the provision of  
18 services to counties shall be based upon the moneys appropriated to the  
19 municipal research council as provided in section 1 of this act.

20       **Sec. 5.** RCW 82.44.160 and 1990 c 104 s 3 and 1990 c 42 s 310 are  
21 each reenacted to read as follows:

22       Before distributing or paying moneys to the cities and towns from  
23 the general fund on the first day of July of each year, under the  
24 formula provided in RCW 82.44.155, and from the municipal sales and use  
25 tax equalization account, as provided in RCW 82.14.210, the state  
26 treasurer shall deduct from these moneys a sum equal to one-half of the  
27 biennial appropriation made to the municipal research council. Sixty-  
28 five percent of the annual deduction shall be from the distribution to  
29 cities and towns under RCW 82.44.155, and thirty-five percent of the

1 annual deduction shall be from the distribution to the municipal sales  
2 and use tax equalization account under RCW 82.14.210.

3 The amount that is appropriated to the municipal research council  
4 shall be at least seven cents per capita of the population of all  
5 cities or towns as last determined by the office of financial  
6 management. Moneys appropriated to the municipal research council  
7 shall be kept in the treasury in the general fund. Expenditures of the  
8 municipal research council, including council expenses and contract  
9 payments, shall be disbursed by warrant or check from invoices or  
10 vouchers certified by the chair of the municipal research council or a  
11 designee. Payments to public agencies may be made in advance of actual  
12 work contracted for, in the discretion of the council.

13 Sixty-five percent of any moneys remaining unexpended or  
14 uncontracted for by the municipal research council at the end of any  
15 fiscal biennium shall be returned to the general fund and be paid to  
16 cities and towns under RCW 82.44.155. The remaining thirty-five  
17 percent shall be deposited into the municipal sales and use tax  
18 equalization account.

19 **Sec. 6.** RCW 43.110.010 and 1990 c 104 s 1 are each amended to read  
20 as follows:

21 There shall be a state agency which shall be known as the municipal  
22 research council. The council shall be composed of ~~((eighteen))~~  
23 nineteen members. ~~((Four))~~ Two members shall be appointed by the  
24 president of the senate, with equal representation from each of the two  
25 major political parties; ~~((four))~~ two members shall be appointed by the  
26 speaker of the house of representatives, with equal representation from  
27 each of the two major political parties; one member shall be appointed  
28 by the governor independently; ~~((and the other))~~ nine members, who  
29 shall be city or town officials, shall be appointed by the governor

1 from a list of nine nominees submitted by the board of directors of the  
2 association of Washington cities; and five members, who shall be county  
3 officials, shall be appointed by the governor, two of whom shall be  
4 from a list of two nominees submitted by the board of directors of the  
5 Washington association of county officials, and three of whom shall be  
6 from a list of three nominees submitted by the board of directors of  
7 the Washington state association of counties. Of the ~~((members~~  
8 ~~appointed by the association))~~ city or town officials, at least one  
9 shall be an official of a city having a population of twenty thousand  
10 or more; at least one shall be an official of a city having a  
11 population of one thousand five hundred to twenty thousand; and at  
12 least one shall be an official of a town having a population of less  
13 than one thousand five hundred.

14 The terms of members shall be for two years ~~((and shall not))~~. The  
15 terms of those members who are appointed as legislators or city, town,  
16 or county officials shall be dependent upon continuance in legislative  
17 ~~((or))~~ city, town, or county office. The terms of all members except  
18 legislative members shall commence on the first day of August in every  
19 odd-numbered year. The speaker of the house of representatives and the  
20 president of the senate shall make their appointments on or before the  
21 third Monday in January in each odd-numbered year, and the terms of the  
22 members thus appointed shall commence on the third Monday of January in  
23 each odd-numbered year. A council member whose term has expired shall  
24 remain on the council until a successor has been appointed if otherwise  
25 eligible to be a council member.

26 Council members shall receive no compensation but shall be  
27 reimbursed for travel expenses at rates in accordance with RCW  
28 43.03.050 and 43.03.060 as now existing or hereafter amended, except  
29 that members of the council who are also members of the legislature  
30 shall be reimbursed at the rates provided by RCW 44.04.120.